



TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
TE/GE: EO Examination
625 Fulton Street, Room 503
Brooklyn, NY 11201

Date: October 16, 2008

Number: 200903087
Release Date: 1/16/2009

LEGEND
ORG = Organization name UIL: 501.03-01
XX = Date Address = address

ORG
ADDRESS

Taxpayer Identification Number:
Person to Contact:
Identification Number
Contact Telephone Number:

LAST DATE FOR FILING A PLEADING WITH THE TAX
COURT, THE CLAIMS COURT, OR THE UNITED STATES DISTRICT COURT FOR THE
DISTRICT OF COLUMBIA: January 14, 20XX

Dear :

This is a final determination regarding your exempt status under section 501(c)(3) of the Internal Revenue Code (IRC). Revocation of your exempt status under Internal Revenue Code section 501(a) as an organization described in Internal Revenue Code section 501(c)(3) is effective beginning January 1, 20XX, because you have not established that you are operating for an exempt purpose.

IRC 501(c)(3) exempts from taxation organizations which are organized and operated exclusively for charitable or educational purposes, no part of the net earnings of which inure to the benefit of any private shareholder or individual, no substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation and which do not participate in, or intervene in, any political campaign on behalf of (or in opposition to) any candidate for public office.

IRC 6033 provides that every organization, except as provided therein, exempt from taxation under section 501(a) of the Code shall file an annual return, stating specifically the items of gross income, receipts, and disbursements, and shall keep such records, render under oath such statements, make such other returns and comply with such rules and regulations as the Secretary of the Treasury or his delegate may from time to time prescribe.

Revenue Ruling 59-95, 1959-1 CB 627 held that failure or inability to file the required information return or otherwise to comply with the provision of section 6033 of the Code and the regulations which implement it, may result in the termination of the exempt status of an

organization previously held exempt, on the grounds that the organization has not established that it is observing the conditions required for the continuation of an exempt status.

In accordance with IRC 6033 and Revenue Ruling 59-95, we have determined that the organization has not established that it is observing the conditions required for continuation of exempt status. We are revoking your exemption from Federal income tax as an organization described in section 501(c)(3) of the Internal Revenue Code effective January 1, 20XX.

Contributions to your organization are no longer deductible under section 170 of the Internal Revenue Code. You are required to file Federal income tax returns on Form 1120. These returns should be filed with the appropriate Service Center for all years beginning January 1, 20XX. Processing of income tax returns and assessment of any taxes due will not be delayed should a petition for declaratory judgment be filed under section 7428 of the Internal Revenue Code.

If you decide to contest this determination in court, you must file a pleading seeking a declaratory judgment in the United States Tax Court, the United States Court of Federal Claims, or the United States District Court for the District of Columbia before the 91st day after the date this final determination was mailed to you. Please contact the clerk of the appropriate court for rules regarding filing pleadings for declaratory judgments and refer to the enclosed Publication 892. You may write to these courts at the following addresses:

You have the right to contact the office of the Taxpayer Advocate. Taxpayer Advocate assistance is not a substitute for established IRS procedures, such as the formal appeals process. The Taxpayer Advocate cannot reverse a legally correct tax determination, or extend the time fixed by law that you have to file a petition in a United States court. The Taxpayer Advocate can, however, see that a tax matter that may not have been resolved through normal channels gets prompt and proper handling. You may call too-free and ask for Taxpayer Advocate Assistance. If you prefer, you may contact your local Taxpayer Advocate.

We will notify the appropriate State Officials of this action, as required by section 6104(c) of the Internal Revenue Code.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely Yours,

Vicki L. Hansen
Acting Director, EO Examinations

Enclosure:
Publication 892

**Internal Revenue Service
Tax Exempt and Government Entities Division
MS 1112
PO Box 12307
Ogden, UT 84412**

Department of the Treasury



Date: April 17, 2008

LEGEND

ORG = Organization name XX = Date
Address = address

**ORG
ADDRESS**

**Taxpayer Identification Number:
Form:
Tax Year(s) Ended:
Person to Contact/ID Number:
Contact Telephone Number:
Contact Fax Number:**

**CERTIFIED MAIL - RETURN RECEIPT
REQUESTED**

Dear :

We have enclosed a copy of our report of examination explaining why we believe revocation of your exempt status under section 501(c)(3) of the Internal Revenue Code is necessary.

If you accept our findings, take no further action. We will issue a final revocation letter.

If you do not agree with our proposed revocation, you must submit to us a written request for Appeals Office consideration within 30 days from the date of this letter to protest our decision. Your protest should include a statement of the facts, the applicable law, and arguments in support of your position.

An Appeals officer will review your case. The Appeals office is independent of the Director, EO Examinations. The Appeals Office resolves most disputes informally and promptly. The enclosed Publication 3498, *The Examination Process*, and Publication 892, *Exempt Organizations Appeal Procedures for Unagreed Issues*, explain how to appeal an Internal Revenue Service (IRS) decision. Publication 3498 also includes information on your rights as a taxpayer and the IRS collection process.

You may also request that we refer this matter for technical advice as explained in Publication 892. If we issue a determination letter to you based on technical advice, no further administrative appeal is available to you within the IRS regarding the issue that was the subject of the technical advice.

If we do not hear from you within 30 days from the date of this letter, we will process your case based on the recommendations shown in the report of examination. If you do not protest this proposed determination within 30 days from the date of this letter, the IRS will consider it to be a failure to exhaust your available administrative remedies. Section 7428(b)(2) of the Code provides, in part: "A declaratory judgment or decree under this section shall not be issued in any proceeding unless the Tax Court, the Claims Court, or the District Court of the United States for the District of Columbia determines that the organization involved has exhausted its administrative remedies within the Internal Revenue Service." We will then issue a final revocation letter. We will also

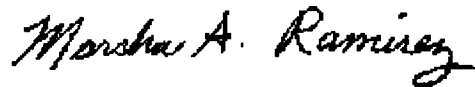
notify the appropriate state officials of the revocation in accordance with section 6104(c) of the Code.

You have the right to contact the office of the Taxpayer Advocate. Taxpayer Advocate assistance is not a substitute for established IRS procedures, such as the formal appeals process. The Taxpayer Advocate cannot reverse a legally correct tax determination, or extend the time fixed by law that you have to file a petition in a United States court. The Taxpayer Advocate can, however, see that a tax matter that may not have been resolved through normal channels gets prompt and proper handling. You may call toll-free and ask for Taxpayer Advocate Assistance. If you prefer, you may contact your local Taxpayer Advocate at:

If you have any questions, please call the contact person at the telephone number shown in the heading of this letter. If you write, please provide a telephone number and the most convenient time to call if we need to contact you.

Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink that reads "Marsha A. Ramirez". The signature is written in a cursive style with a large, stylized "M" and "R".

Marsha A. Ramirez
Director, EO Examinations

Enclosures:
Publication 892
Publication 3498
Report of Examination

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| Form 886A | Department of the Treasury - Internal Revenue Service Explanation of Items | Schedule No. or Exhibit |
| Name of Taxpayer ORG | | Year/Period Ended 20XX12 |

LEGEND

ORG = Organization name XX = Date BM-1 = 1st Board Member

Date of Notice: April 16, 20XX

Issue:

Whether ORG qualifies for tax exemption under Section 501(c)(3) of the Internal Revenue Code.

Facts:

Attached Exhibit 1 provides documentation of the Internal Revenue Service correspondence and telephone contact requesting that ORG file the Form 990 for the tax period ending December 31, 20XX. ORG failed to respond to the Internal Revenue Service request(s) or file the Forms 990 for the tax period ending December 31, 20XX.

Exhibit 1 Contact Information:

| ORG | | | | |
|-----------------|-------------------|--|---|---|
| Date of Contact | Response Due Date | Type of Request | Reply Received Date | Action |
| 01-10-XX | 03-05-XX | Compliance letter G20 | 03-05-XX Received call from BM-1 | She indicated organization is terminated/ was asked during compliance check to send in documentation of termination |
| 03-27-XX | | Compliance | Received message to call | Called and left message but she never returned call. |
| 03-29-XX | | Compliance Telephone Contact | Left message for call back | No call back |
| 04-07XX | | Compliance Telephone Contact | Left message for call back | No call back |
| 04-27-XX | 05-27-XX | Compliance Letter 3854 certified | None | Transfer case EOCA exam |
| 08-06-XX | 09-20-XX | Examination Letter 3606 with Publication 1 | None | Open examination |
| 09-28-XX | 10-22-XX | Examination Letter 1477 follow-up 15 day reply | None | Sent certified -letter was returned unclaimed on 12-21-XX |
| 12-28-XX | 01-28-XX | Examination Letter 3606 with Publication 1 | None | Sent letter to address of last known officer. Letter was returned unclaimed on 02-08-XX. |
| 02-06-XX | | Examination Telephone Contact | Contacted by phone and was told this was the phone number and address of the last knows officer BM-1 left | No back |

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|--|--|--|----------|--|
| | | | message. | |
|--|--|--|----------|--|

Law:

Internal Revenue Code (IRC) § 6001 Notice or regulations requiring records, statements, and special returns

Every person liable for any tax imposed by this title, or for the collection thereof, shall keep such records, render such statements, make such returns, and comply with such rules and regulations as the Secretary may from time to time prescribe.

Whenever in the judgment of the Secretary it is necessary, he may require any person, by notice served upon such person or by regulations, to make such returns, render such statements, or keep such records, as the Secretary deems sufficient to show whether or not such person is liable for tax under this title. The only records which an employer shall be required to keep under this section in connection with charged tips shall be charge receipts, records necessary to comply with section 6053 (c), and copies of statements furnished by employees under section 6053 (a).

IRC § 6033(a)(1) Returns by exempt organizations

(a) Organizations required to file (1) In general Except as provided in paragraph (2), every organization exempt from taxation under section 501 (a) shall file an annual return, stating specifically the items of gross income, receipts, and disbursements, and such other information for the purpose of carrying out the internal revenue laws as the Secretary may by forms or regulations prescribe, and shall keep such records, render under oath such statements, make such other returns, and comply with such rules and regulations as the Secretary may from time to time prescribe; except that, in the discretion of the Secretary, any organization described in section 401 (a) may be relieved from stating in its return any information which is reported in returns filed by the employer which established such organization.

Federal Tax Regulation (FTR) § 1.6001-1(a)

In general. Except as provided in paragraph (b) of this section, any person subject to tax under subtitle A of the Code (including a qualified State individual income tax which is treated pursuant to section 6361(a) as if it were imposed by chapter 1 of subtitle A), or any person required to file a return of information with respect to income, shall keep such permanent books of account or records, including inventories, as are sufficient to establish the amount of gross income, deductions, credits, or other matters required to be shown by such person in any return of such tax or information.

FTR § 1.6001-1(e)

Retention of records. The books or records required by this section shall be kept at all times available for inspection by authorized internal revenue officers or

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employees, and shall be retained so long as the contents thereof may become material in the administration of any internal revenue law.

FTR § 1.6033-1(h)(2) (2)

Every organization which has established its right to exemption from tax, whether or not it is required to file an annual return of information, shall submit such additional information as may be required by the district director for the purpose of enabling him to inquire further into its exempt status and to administer the provisions of subchapter F (section 501 and following), chapter 1 of the Code, and of section 6033. See section 6001 and § 1.6001-1 with respect to the authority of the district director or directors of service centers to require such additional information and with respect to the permanent books of account or records to be kept by such organizations.

Rev. Rul. 59-95, 1959-1 C.B. 627,

an exempt organization that was requested to produce a financial statement and statement of its operations for a certain year. However, its records were so incomplete that the organization was unable to furnish such statements. The Service held that the failure or inability to file the required information return or otherwise to comply with the provisions of IRC § 6033 and the regulations which implement it, may result in the termination of the exempt status of an organization previously held exempt, on the grounds that the organization has not established that it is observing the conditions required for the continuation of exempt status.

Analysis:

Based on the above provisions of the Code and regulations under IRC §6001 and 6033, organizations recognized as exempt from federal income tax must meet certain reporting requirements. These requirements relate to the filing of a complete and accurate annual information (and other required federal tax forms) and the retention of records sufficient to determine whether such entity is operated for the purposes for which it was granted tax-exempt status and to determine its liability for any unrelated business income tax.

Conclusion:

That as of April 16, 20XX the organization has failed to meet the reporting requirements under IRC §6001 and §6033 to be recognized as exempt from federal income tax under IRC §501(c)(3). Accordingly, the organization's exempt status is revoked effective January 1, 20XX.

In addition Form 1120 returns should be filed for the tax periods ending on or after December 31, 20XX.